

House File 2770 - Reprinted

HOUSE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2736)
(SUCCESSOR TO HF 2497)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to economic development by creating a technology
2 and commercialization resource organization, providing tax
3 incentives under the high quality job creation Act, and
4 providing an exempt activity for foreign corporations, and
5 including effective and retroactive applicability date
6 provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
8 HF 2770
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1 1 Section 1. Section 15.335A, Code Supplement 2005, is
1 2 amended by adding the following new subsection:
1 3 NEW SUBSECTION. 7. a. In calculating the annual wage,
1 4 including benefits, pursuant to subsection 1, the department
1 5 shall not require a certain wage level, without benefits, to
1 6 be met.
1 7 b. In calculating the value of benefits pursuant to
1 8 subsection 1, if an employer offers medical insurance under
1 9 both single and family coverage plans, the employer shall be
1 10 given credit for providing medical insurance under family
1 11 coverage plans to all new high-quality jobs employees.
1 12 Sec. 2. Section 15G.112, subsection 1, Code Supplement
1 13 2005, is amended to read as follows:
1 14 1. In order to receive financial assistance from the
1 15 department from moneys appropriated from the grow Iowa values
1 16 fund, the average annual wage, including benefits, of new jobs
1 17 created must be equal to or greater than one hundred thirty
1 18 percent of the average county wage. The department shall not
1 19 require any other wage level to be met. For purposes of this
1 20 section, "average county wage" and "benefits" mean the same as
1 21 defined in section 15I.1.
1 22 Sec. 3. Section 15G.112, Code Supplement 2005, is amended
1 23 by adding the following new subsection:
1 24 NEW SUBSECTION. 1A. If a project is located in any
1 25 nonmetropolitan county or group of contiguous counties the
1 26 majority of which includes nonmetropolitan counties, an
1 27 applicant may qualify by meeting one of the following wage
1 28 threshold requirements in lieu of the wage threshold
1 29 requirement in subsection 1:
1 30 a. The average hourly wage of new jobs created must be
1 31 equal to or greater than one hundred thirty percent of one of
1 32 the following:
1 33 (1) For a single county, the average new hire hourly wage
1 34 over a three calendar quarter period.
1 35 (2) For a region, the average of all contiguous counties
2 1 average new hire hourly wage over a three calendar quarter
2 2 period.
2 3 b. The average hourly wage, including benefits, of new
2 4 jobs created must be equal to or greater than one hundred
2 5 fifty percent of one of the following:
2 6 (1) For a single county, the average new hire hourly wage
2 7 over a three calendar quarter period.
2 8 (2) For a region, the average of all contiguous counties
2 9 average new hire hourly wage over a three calendar quarter
2 10 period.
2 11 For purposes of this subsection, the wage thresholds shall
2 12 be determined by utilizing wage data available from the local
2 13 employment dynamics program of the department of workforce

2 14 development. The method for calculating the wage threshold
2 15 shall be based on local employment dynamics program data for
2 16 all industry sectors and all public and private entities.
2 17 For purposes of this subsection, "metropolitan county"
2 18 means a county included in the standard metropolitan
2 19 statistical areas as determined by the United States census
2 20 bureau.

2 21 Sec. 4. Section 15I.1, subsection 2, paragraph a, Code
2 22 Supplement 2005, is amended to read as follows:

2 23 a. Medical and dental insurance plans. If an employer
2 24 offers medical insurance under both single and family coverage
2 25 plans, the employer shall be given credit for providing
2 26 medical insurance under family coverage plans to all new
2 27 employees.

2 28 Sec. 5. NEW SECTION. 262B.21 RESEARCH AND DEVELOPMENT
2 29 PLATFORMS.

2 30 1. For purposes of this section, and sections 262B.22 and
2 31 262B.23, "core platform areas" means the areas of advanced
2 32 manufacturing, biosciences, information solutions, and
2 33 financial services.

2 34 2. The state board of regents shall do all of the
2 35 following:

3 1 a. Recruit employees, build capacity, and invest moneys to
3 2 ensure rapid scientific progress in the core platform areas.

3 3 b. Create endowed chair positions and employ persons with
3 4 entrepreneurial expertise.

3 5 c. Invest in technology development infrastructure to
3 6 strengthen and accelerate the scientific and commercialization
3 7 work in the core platform areas.

3 8 d. Provide financial assistance in the form of grants for
3 9 purposes of accelerating the transformation of new and ongoing
3 10 research and development initiatives in the core platform
3 11 areas into commercial opportunities.

3 12 e. Actively participate in advisory groups dedicated to
3 13 the areas of bioscience advanced manufacturing, and
3 14 information solutions.

3 15 Sec. 6. NEW SECTION. 262B.22 TECHNOLOGY AND
3 16 COMMERCIALIZATION RESOURCE ORGANIZATION.

3 17 1. The general assembly finds and declares that the public
3 18 good requires that Iowa successfully participate and compete
3 19 in the emerging world economy. A technology and
3 20 commercialization resource organization is established to
3 21 formulate and implement plans and programs for the core
3 22 platform areas and to facilitate their commercial application
3 23 within the state.

3 24 2. The technology and commercialization resource
3 25 organization shall receive recommendations for research
3 26 projects which have commercialization potential from
3 27 institutions of higher learning under the control of the state
3 28 board of regents. In cooperation with commercialization
3 29 experts in the private sector, the organization shall analyze
3 30 research project submissions and make recommendations
3 31 regarding which projects should receive funding and how much
3 32 funding such projects should receive. The recommendations of
3 33 the organization shall be forwarded to the state board of
3 34 regents. The state board of regents shall review the
3 35 recommendations and may approve, deny, or modify the
4 1 recommendations, but the state board of regents shall not
4 2 change the primary focus of the proposal. The state board of
4 3 regents may award financial assistance to approved research
4 4 projects.

4 5 3. A technology and commercialization resource
4 6 organization shall be incorporated under chapter 504. The
4 7 organization shall not be regarded as a state agency, except
4 8 for purposes of chapter 17A. A member of the board of
4 9 directors is not considered a state employee, except for
4 10 purposes of chapter 669. A natural person employed by the
4 11 organization is a state employee for purposes of the Iowa
4 12 public employees' retirement system, state health and dental
4 13 plans, and other state employee benefit plans and chapter 669.
4 14 Chapters 8, 8A, and 20, and other provisions of law that
4 15 relate to requirements or restrictions dealing with state
4 16 personnel or state funds, do not apply to the organization or
4 17 any employees of the board of directors or the organization
4 18 except to the extent provided in this chapter.

4 19 4. The board of directors of the organization shall
4 20 consist of eight voting members as follows:

4 21 a. The president of the state board of regents.

4 22 b. The three members of the economic development
4 23 subcommittee of the state board of regents.

4 24 c. The chief technology officer of the state.

4 25 d. One member selected by a biosciences development
4 26 organization designated by the department of economic
4 27 development pursuant to section 15G.111, subsection 2.
4 28 e. The chairperson of the advanced manufacturing steering
4 29 group of the department of economic development.
4 30 f. The chairperson of the information solutions steering
4 31 group of the department of economic development.
4 32 5. The members of the board of directors shall annually
4 33 elect a president of the board from the board membership. A
4 34 vacancy shall be filled by the appointing authority. Members
4 35 are eligible for actual expense reimbursement while fulfilling
5 1 duties of the board.

5 2 Sec. 7. NEW SECTION. 262B.23 ENDOWED CHAIRS AND
5 3 SALARIES.

5 4 1. The state board of regents may use for salaries and may
5 5 create endowed chair positions at each of the regents
5 6 universities using, in part, moneys appropriated to the state
5 7 board of regents for purposes of implementing recommendations
5 8 provided in separate consultant reports on bioscience,
5 9 advanced manufacturing, and information technology submitted
5 10 to the department of economic development in the calendar
5 11 years 2004 and 2005. Such moneys may only be used to
5 12 partially fund an endowed chair position if significant
5 13 private contributions and contributions from governmental
5 14 entities other than the state and political subdivisions of
5 15 the state are used to fund the position. Not more than fifty
5 16 percent of the cost of funding an endowed chair position shall
5 17 be paid with such moneys. The endowed chair positions shall
5 18 be used to attract scholars recruited nationally and
5 19 internationally who can bring with them related start-up
5 20 business ventures or a concept for near-term
5 21 commercialization.

5 22 Sec. 8. Section 422.34A, Code 2005, is amended by adding
5 23 the following new subsection:

5 24 NEW SUBSECTION. 8. Utilizing a distribution facility
5 25 within this state, owning or leasing property at a
5 26 distribution facility within this state that is used at or
5 27 distributed from the distribution facility, or selling
5 28 property shipped or distributed from a distribution facility.
5 29 For purposes of this subsection, "distribution facility" means
5 30 an establishment where shipments of tangible personal property
5 31 are processed for delivery to customers. "Distribution
5 32 facility" does not include an establishment where retail sales
5 33 of tangible personal property or returns of such property are
5 34 undertaken with respect to retail customers on more than
5 35 twelve days a year except for a distribution facility which
6 1 processes customer sales orders by mail, telephone, or
6 2 electronic means, if the distribution facility also processes
6 3 shipments of tangible personal property to customers provided
6 4 that not more than ten percent of the dollar amount of goods
6 5 are delivered and shipped so as to be included in the gross
6 6 sales of the corporation within this state as provided in
6 7 section 422.33, subsection 2, paragraph "b", subparagraph (6).

6 8 Sec. 9. EFFECTIVE AND RETROACTIVE APPLICABILITY DATE.

6 9 1. The section of this Act amending section 15.335A, being
6 10 deemed of immediate importance, takes effect upon enactment
6 11 and applies retroactively to June 9, 2005.

6 12 2. The section of this Act enacting section 422.34A,
6 13 subsection 8, being deemed of immediate importance, takes
6 14 effect upon enactment and applies retroactively to January 1,
6 15 2006, for tax years beginning on or after that date.

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